

West of England Investment Board

Full Business Case

Scheme: demolition of buildings at Cattle Market Road, Bristol

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		Originated	Reviewed	Authorised	Date

Executive Summary

This scheme involves the demolition of the former Post Office Sorting Depot, Cattle Market Road and adjacent property and other site preparation works to enable the wider site for future development.

The site is located in the heart of the Bristol Temple Quarter Enterprise Zone. The development of the Zone is both a national and local priority. The LEP's Strategic Economic Plan specifically calls for investment in the EZ to ensure that it is "inclusive so that the prosperity may be shared with other areas". The Mayor of Bristol has made clear his expectation that the Zone "will become a new urban quarter offering access to jobs, much needed housing and leisure while making it easier for people to connect between [Temple Meads] station, the city centre and surrounding communities".

The development of the Cattle Market Road site is crucial to creating a link between a new pedestrian street under Temple Meads station, the wider city centre to its north and routes to the south and east of the city. Its development will help tackle the problem of the station acting as an obstacle to accessing the Temple Quarter area and provide deprived communities to the south and east – where pockets of concentrated and long-standing deprivation exist – with better accessibility to a major employment area.

The PO Sorting Depot on the site has lain vacant for over 18 years. Prior to this project proposals for its development have been made but not brought forward, principally because of a lack of viability. The building is an eyesore next to Temple Meads Station, one of the most accessible locations in the city with over 10 million passengers passing through each year. Rather than promote the city's economic strengths to both visitors and residents of Bristol, it visibly detracts from it.

Bristol City Council bought the site in May 2015 with the objective of securing development on the site as soon as was reasonably possible. The Council has investigated options for taking the site forward. Demolition of the existing buildings offers the best opportunity to reduce risk to potential developers and secure market interest in its future development.

On 1 March 2016 the then Mayor of Bristol approved £1m of funding for the demolition of the PO Sorting Depot building and associated site preparation. Provision has also been made to allocate some funds from receipts following the sale of the site towards demolition costs, although this will need further approval. This bid to the LEP is for £875,475 of funds to cover the remaining funding gap.

On 29 November 2016 the University of Bristol announced its intention to develop its Temple Quarter Campus on the Cattle Market Road site. The campus will house a new digital innovation hub, business school and student residential village. Key to the concept is the ability for the new university facility to be "porous", offering easy access to all that may want to enter it. The deal for the site will be put to the Council's Cabinet for approval early in the New Year.

This project will reduce risk to developers and, by doing so, increase the chances of securing market interest and development coming forward on it sooner than it would otherwise do. We forecast that the works may accelerate development on the site by up to 3 years.

For further information on the project, please contact Jack Allan, Economic Development Manager – Enterprise Zone, Bristol City Council. (t. 07827 896608; e. jack.allan@bristol.gov.uk)

Strategic Case

1.0 Promoter and Delivery Arrangements

Bristol City Council is the promoting organisation for this project to undertake demolition works at Cattle Market Road, principally featuring the former Post Office Sorting Depot and adjacent property on the Cattle Market Road site. The Council owns the site and wishes to prepare it for development. It is proposed that funds being bid for in this document will be complemented by funding from the Council.

Network Rail has an interest in the works given its ownership of adjacent property at Temple Meads Station and its need to maintain operational railway infrastructure. Its permission will be required for certain activities in the programme of work to be undertaken. The Council is working closely with Network Rail to secure these permissions in a timely manner.

Mott MacDonald, through their contract with Bristol City Council to provide consultancy support to the Temple Quarter Enterprise Zone programme, are providing project management, cost management and quantity surveying support to the project. The Council's Property Division are acting as project sponsor and client manager, reporting on progress to the Temple Quarter Enterprise Zone Programme Delivery Group and Strategic Directors Board.

The Council will utilise the Scape National Minor Works Framework to secure a contractor for the works.

2.0 Project Description

The project is being undertaken to realise the benefit and development potential of the Cattle Market Road development site adjacent to Bristol Temple Meads Station, as part of work to bring forward major development opportunities to secure the regeneration of the area around the station and delivery of the objectives of the Bristol Temple Quarter Enterprise Zone.

The site comprises an area of approximately 2.1 hectares and is located on Cattle Market Road in the centre of Bristol adjacent to Bristol Temple Meads Station. The plot lies within the Temple Quarter Enterprise Zone and is described by the Council's spatial framework for the EZ as a "pivotal site", suitable for significant mixed use commercial and residential development and also having an important role in linking to and influencing development opportunities in neighbouring areas.

The site is dominated by the former Royal Mail Post Office Sorting building, which has remained unused since its closure in the 1990s. The six storey building has been stripped of all fixtures and fittings and is derelict and unsightly. The building shell is also considered to present a significant danger to potential intruders. The remaining areas of the site have been used for several other uses including a cattle market from the 1830s and a section of the site was used as a burial ground for victims of Bristol's cholera epidemics from 1832 through to the 1870s.

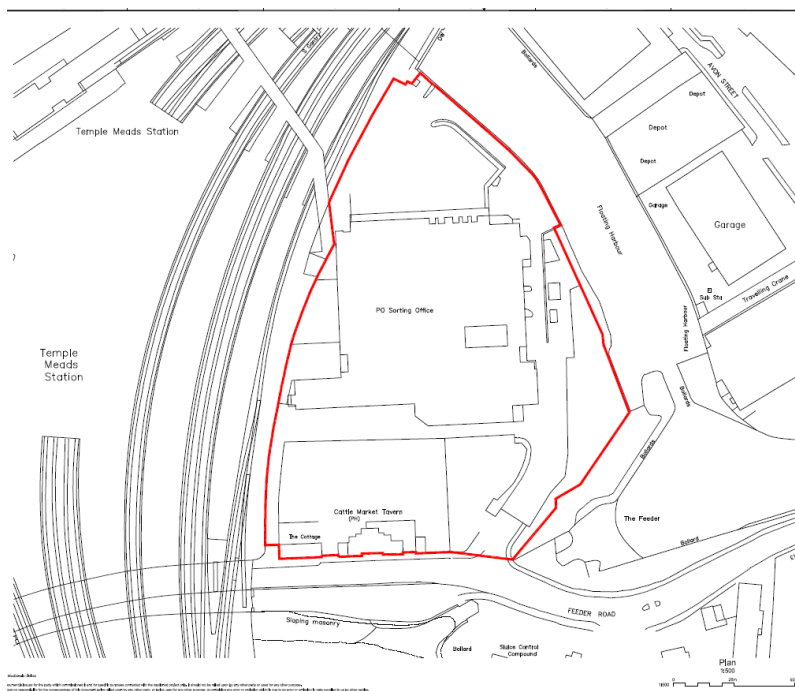


Figure 1 - Red Line Boundary

The building and land within the red line boundary, is owned by Bristol City Council. During Spring 2015, BCC secured funding to acquire Arena Island and redirect the land acquisition budget to acquire Cattle Market Road. Negotiations were successful and BCC took possession of the site in May 2015.

A due diligence study was undertaken in 2015 to identify the feasibility of the site for demolition and redevelopment, prior to purchase. This was funded by Bristol City Council and undertaken by Mott MacDonald. The report identified that the site was feasible for redevelopment and following this Bristol City Council completed the purchase of the land.

On 1 March 2016 the then Mayor of Bristol approved £1m funding to be set aside for the demolition of the PO Sorting Depot building and associated site preparation. Provision has also been made to allocate some funds from receipts following the sale of the site towards demolition costs, albeit further approval will be required. This bid to the LEP is for £875,475 of funds to cover the remaining funding gap.

A consultant team, led by Mott MacDonald, was appointed by BCC in May 2016 to prepare the Invitation to Tender for contractors for the proposed demolition only.

As detailed in Section 13.0, after considering options, the procurement approach adopted by BCC for the project is to utilise the Scape National Minor Works Framework to enable early contractor involvement in the preparation of a detailed design and method statement to complete the required work. The project is currently at the feasibility stage with enabling works progressing on site to remove known Asbestos and Guano contamination.

At this stage early engagement has been made with Network Rail due to the proximity of the site to Bristol Temple Meads Station.

The current scope for the project is detailed below:

Scope activities	Responsibility
Demolish the sub-structure and super-structure including the entire basement where reasonably possible without undermining railway structure or disturbing the Cholera Pit	Contractor
Finished level for entire site should be from the dockside edge or 600mm below current finish level including the pile caps depending on which is highest	Contractor
Piles to be photographed or a topographical survey to be completed once the basement is removed to inform future development.	Contractor
The basement area should be back filled with the demolition arisings.	Contractor
Crush and sort material on site for suitable re use.	Contractor
Foundations and basement to be grubbed up, piles to be left in situ.	Contractor
Undertake level 6 underground services survey and disconnect any live services.	Contractor
Demolish Cattle Market Tavern including foundations and disconnection of services.	Contractor
Ensure the cottage which currently houses the wood recycling unit is maintained and ensure business is as usual during construction operations.	Contractor
Secure site at the end of construction works, to be fully hoarded and signed.	Contractor
Signage installed at top of site to be relocated prior to the completion of the project.	Contractor
Excavate ramp and upper car park if practicable within the budget.	Contractor
Ensure methodology for demolition is in accordance with Network Rail requirements.	Contractor
Design and agree with Network Rail suitable temporary retaining structures.	Contractor
Construct temporary retaining structure.	Contractor

3.0 Project Objectives and Case for Change

Project objectives

The project objectives are summarised below:

1. Demolish the site as quickly and as safely as possible.
2. Meet BCC's aspiration to be on site before the end of 2016
3. Provide a clear site which facilitates its future development
4. Secure value for money throughout the life of the project
5. Maintain a good working relationship with Network Rail

Demolish the site as quickly and as safely as possible

The importance of time has been identified as a key requirement for Bristol City Council and therefore a procurement route has been chosen which realises efficiencies in this project phase.

Safety will be monitored by the Principal Designer working on behalf of Bristol City Council who will review construction phase plans and methodologies in line with Network Rail requirements and CDM 2015. Involvement of Network Rail in the design phase of the scheme will ensure that any risk to the railway operations are mitigated through design and planning.

Aspiration is to be on site in 2016

The programme has been developed using the site knowledge to date. Enabling works have begun in 2016 with a view to starting the demolition mid-2017.

Providing a clear site which appeals to the development market

The site has lain vacant for over 18 years. Whilst proposals for redevelopment were made during this time, no redevelopment was undertaken. The condition of the building now requires permanent security to maintain public safety and building integrity, at significant cost.

Clearing the site and preparing it for redevelopment will lift a cost burden from developers and is expected to improve the site's attractiveness to the market as a result.

Securing value for money throughout the life of the project

The use of the SCAPE Framework will ensure value for money to Bristol City Council by using pre-determined rates with agreed profit margins and an open book approach to contractor appointments.

The use of the SCAPE gateways will permit the analysis of cost at each stage to monitor progress against budget.

Maintain good working relationship with Network Rail

Ongoing stakeholder management with Network Rail and close communications with the key contact will ensure that a good working relationship remains for the benefit of the other projects within the Enterprise Zone.

4.0 Strategic Fit

Enterprise Zones represent Government's locational priorities for economic growth. Additionally, Government has recently announced that it will support a massive increase in housebuilding. Temple Quarter EZ is one of the highest performing Zones, yet its full potential to deliver both economic and housing growth remains untapped.

The top objectives of the LEP, stated in their Strategic Economic Plan, include creating places where people want to live and work, ensuring all communities share in prosperity and ensuring a resilient economy that operates within environmental limits. The SEP specifically calls for investment in the EZ to ensure that "they are inclusive so that the prosperity may be shared with other areas".

Bristol City Council's Temple Quarter Spatial Framework – adopted by its Cabinet on 4 October – sets out a blueprint for how development may look and spaces will work in the Enterprise Zone. In welcoming its adoption, Mayor Marvin Rees made clear his expectation that the Zone "will become a

new urban quarter offering access to jobs, much needed housing and leisure while making it easier for people to connect between [Temple Meads] station, the city centre and surrounding communities”.

This project supports the delivery of all of these objectives, by preparing for development what the Bristol Temple Quarter Spatial Framework calls a “pivotal” site.

The Framework describes how the development of the site is crucial to creating a link between a new pedestrian street under Temple Meads station, the wider city centre to its north and routes to the south and east of the city. Its development will help tackle the problem of the station acting as an obstacle to accessing the Temple Quarter area and provide deprived communities to the south and east – where pockets of concentrated and long-standing deprivation exist – with better accessibility to a major employment area.

The Framework models high density mixed use development on the Cattle Market Road site, with a new public square and waterfront access. In addition, it proposes new access routes to the Silverthorne Lane area, which is seen as having significant potential for mixed use development, including 700 residential units.

On 1 March 2016 Bristol City Council’s then Mayor approved the demolition of the PO Sorting Depot site and works to prepare the site for development, to help realise the residual value of the site. Valued at £14.6m, this sum will support the delivery of the Bristol Arena which is itself to be part funded by the LEP.

This project is also in line with Government’s funding of the Council’s acquisition of the former Diesel Depot and 1-9 Bath Road sites, which was granted in response to a bid from the Council to support both the delivery of the Bristol Arena and its acquisition of the Cattle Market Road site to bring forward development. A fundamental tenet of both acquisitions was to end long-standing dereliction and vacancy on these sites by bringing them forward.

This project is also complementary to the emerging masterplan for the refurbishment and redevelopment of Temple Meads station being brought forward by Network Rail.

5.0 Rationale for Public Intervention

The rationale for public intervention, and this bid for funding, is rooted in both the inherent potential of the site and the fact it has lain vacant for almost 20 years without development of any kind coming forward.

The site suffers from long-standing vacancy and dereliction. In addition, it actively acts to generate negative perception of Bristol and the wider West of England, by being a very prominent eyesore in one of the area’s most accessible locations – next to Temple Meads station – and the heart of the Temple Quarter Enterprise Zone, a LEP priority for spatial development and economic growth.

There have been plans for the site’s redevelopment over the years, but none have come forward. The site was in private ownership for a considerable period, but their proposals were believed to be unviable. The need to maintain the building and provide site security generated costs. In addition the location of the site and its previous use meant that public sector organisations such as Network Rail and Royal Mail had interests in the property that needed to be resolved before development could take place. Whilst the Council securing ownership has resolved some of these, the site’s adjacency to Temple Meads Station means that Network Rail retains a strong interest in its future.

Yet its potential is highly significant. Bristol City Council's Temple Quarter Enterprise Zone Spatial Framework describes the Sorting Office and neighbouring sites as pivotal, giving scope to create a link between a new pedestrian street under Temple Meads station and routes to the south and east of the city. It models high density mixed use development, with a new public square and waterfront access. Its unlocking supports redevelopment of Temple Meads station, new development to both the east – in the Silverthorne Lane area – and to the Bristol Arena and other sites to the south, and much better connectivity for residents of deprived communities in the south and east of the city to employment opportunities in the Enterprise Zone.

Government supported indirectly the Council's acquisition of the Cattle Market Road site, by enabling it to release £5 million it would have used to acquire the former Diesel Depot site for the Bristol Arena. The Council has also spent £1m to remove the risk of any future developer facing financial liability arising from the removal of a redundant conveyor belt between the former Sorting Office building and Temple Meads station.

The Council seeks to expedite the development of the site. A combination of the site's condition, it having lain vacant for some time and the need to negotiate with other parties in order to develop it is felt likely to act to discourage developer interest without some form of intervention. In addition the option of retaining the Sorting Office building and including it in a disposal has been considered but it is felt that to do so would present a cost to a potential developer that could discourage their interest in the site overall because of reduced flexibility of achieving the optimum development. Consequently it has decided to progress with the demolition as soon as possible.

On 1 March 2016 the then Mayor approved demolition works of up to £2m, but with the Council's contribution to them capped at £1m. These figures were set further to more detailed investigatory work. As work has progressed additional costs have become apparent, including the discovery of substantial amounts of asbestos, and the Council's financial position has tightened in recent months. These funding pressures provide the background to this bid for funding.

6.0 Options Appraisal

What options for the project have been considered?

Given its importance within the City, the site was acquired by BCC in 2015 with a view to ensuring future development of the site. A market assessment for the EZ indicates that the demolition and development of the site is critical to the overall success of the EZ, whilst also improving a significant gateway to the City when arriving at the Grade I listed Bristol Temple Meads Station. There is also a strong relationship between the Temple Meads redevelopment and the pedestrian links through the Cattle Market Site, to the Arena and Arena Island.

Fundamentally three options have been considered and these are summarised below:-

Option 1 'Do nothing'

- The derelict six storey building has been stripped back to the concrete shell frame and core and represents one of the biggest eyesore buildings in Bristol, which is viewed by millions of passengers using Bristol Temple Meads Station. As such it sends out negative messages about the City and aspirations to develop it.
- This existing structure has remained derelict for 18 years and has degraded significantly over those years having been exposed to the elements. From a health and safety perspective the integrity of the existing building structures is increasingly a cause for concern particularly given the proximity to one of the busiest stations in the UK and the floating harbour.

- Network Rail has voiced their concerns about the deteriorating condition of the building structures particularly elements of the structure which are attached to the listed retaining wall adjacent to platform 15.
- Leaving the site as it is would likely result in the site remaining undeveloped for a significant period and holding costs increasing. Security is a major concern.
- In April 2015, as part of the process of acquiring the site, a Site Risk Assessment Survey was completed. Whilst not exhaustive, this has highlighted a number of issues that need to be addressed in consideration of any redevelopment strategy.
- Anecdotal records indicate that there is potential Asbestos Containing Materials (ACMs) within the former Royal Mail Sorting Office. In addition potential ACMs have been identified in close proximity to the southern frontage of the building.
- There are significant long term implications regarding connectivity between the Temple Meads Station, the Arena and Arena Island. Doing nothing will not provide the essential pedestrian links particularly for major events and will create pedestrian movement issues along the Bath Road, between the Station and Cattle Market Road.
- Opening up of the eastern access to Temple Meads Station could not be undertaken.
- It would be difficult to complete the Broad Band and District Heating network as access across this site is required.

Option 2 Develop the site with the existing building structures reused

During the 1960s and 1970s planning was granted for two additional stories and front and rear extensions to create the existing structure. Furthermore, whilst an historic (2005) planning permission is also in place for a mixed use scheme with retail, office and residential units, this is no longer considered viable.

This Option has been further evaluated as part of a study to assess the future development potential of the site. However this revealed a number of issues:-

- Retention of the existing building shell and structure which has been exposed and deteriorating for many years is not considered viable in part or whole. As such it is considered high risk and adversely affects the ability to attract investment.
- The configuration of the existing building structures artificially restricts the commercial development potential of the site and the ability to satisfy present day standards for both commercial and residential development. The level of intervention required to adapt the existing large floor plates, floor load capacities, floor to floor heights, and the potential remediation of the concrete frame are fundamental issues that would need to be addressed and therefore it was deemed financially unviable as an option.
- The Cattle Market Site is highlighted in Bristol City Council's emerging Spatial Framework as being a strategically important site in the delivery of the Council's objectives for the Enterprise Zone. However, retention of the existing buildings does not adhere the Spatial Framework guidance which seeks to maximise connectivity and act as a catalyst for further regeneration to the north east (on the opposite side of the Floating Harbour) on the land adjacent Silverthorne Lane.
- Retention of the existing buildings isn't considered to be the optimum approach to develop much needed waterside regeneration and improved links to the Arena and beyond. The existing site levels and raised area to the north part of the site together with the existing ramps sterilise a large part for development and connection with the floating harbour.

Option 3

Develop the site with the existing building structures demolished and removed- Preferred Option

In terms of location, the existing building sits in the centre of the site which has an impact on the development potential of the residual site area. Furthermore this location presents a significant physical and visual barrier to the north east (via a new eastern station entrance – a key EZ development objective) impacting on the successful regeneration of the Silverthorne Lane site.

Development options for the site to establish key urban design principles have been considered. This builds on the newly adopted Temple Quarter Enterprise Zone Spatial Framework produced by BCC. The optimum approach to this, both visually and financially, requires complete demolition of the former Royal Mail Building and adjacent structures to realise this aspiration. Some of the main reasons for this include:-

- The Spatial Framework considers the site to be a key development project and as part of the scenario testing of key sites describes it as "a pivotal site, strategically located between the station and the arena..... it offers an unparalleled opportunity for waterside regeneration a once in a lifetime opportunity that should not be squandered".
- A range of different density scenarios have been tested for the site as part of the Spatial Framework. A medium density scheme is shown with generous public realm. This takes into account the advice from property consultants and multidisciplinary assessment of the current site conditions. Demolition of the existing dilapidated buildings is required to take advantage of a level site providing opportunities for phased development, enhanced connectivity and making the optimum use of meanwhile and construction logistic uses in advance of the significant mixed use development.
- The locations of the existing building structures do not adhere to the Spatial Framework guidance. The removal of the redundant buildings on this site will support the redevelopment of the two large catalyst regeneration projects on Arena Island and at Temple Meads Station.
- Network Rail and BCC have highlighted their aspirations for modernising the station including an opportunity for a new ticketed entrance into the station from the Cattle Market. The ability to deliver this key component in the optimum location and design form is inhibited by the existing building structures which need to be removed.
- There is significant risk, uncertainty and cost in attempting to use the existing structures which have been allowed to deteriorate by the previous owners for over 16 years. This will be further investigated once the asbestos has been removed from site to verify the scale of the deterioration and adverse impact on the integrity of the structures.
- The position of the existing buildings does not permit the proposed Cattle Market Square to be visible from the adjacent road, which is essential to the way-finding strategy between the station and Arena Island.
- The existing building structure and adjacent land has many levels and the aspiration is to create a development which connects along its perimeter with the adjacent waterway. The existing structures prevent this. Even development of the existing building in-part creates an area of development which is disconnected from primary routes and does not meet the requirements to connect with Silverthorne Lane.
- There is a desire to integrate the proposed harbour walkway with the development of the Cattle Market Site along the perimeter and this requires removal of building structures to deliver an effective design.
- There are potential issues with the southern edge of the proposed square being overshadowed.

Which is the preferred option and why has this option been selected?

- Option 3 is the preferred option and requires the demolition of all the existing dilapidated building structures in order to fully realise the strategic development importance of the site, both in relation to Bristol Temple Meads Station and the Arena Island development.

- The aspiration is to develop a high quality commercially led, high density mixed use development that re-imagines this high profile, strategically significant site and re-engages the site with the adjacent waterway and Arena Island.
- The importance of the site is reinforced in the BCC's Spatial Framework which considers the site as "pivotal" within the Enterprise Zone, for both BCC and Network Rail. The location and condition of the existing building structures and existing site levels adversely impact on the ability to realise the aspirations for the site.
- The condition of the existing buildings and the proximity to the Station is a cause for concern for both BCC and Network Rail. It is also an established eyesore that creates a very negative impression of the City to visitors and residents who use Bristol Temple Meads.

7.0 State Aid Considerations

Apply the four tests of State Aid. If your answer to all four of the following questions is "yes", your assistance is almost certainly State Aid. If several of your answers are "yes" or if you are unsure, seek independent legal advice.

1. Is the assistance granted by the state or through state resources?	<ul style="list-style-type: none"> • "Granted by the State" means by any public or private body controlled by the state (which, in the UK, means national or local Government). • "State resources" is broad: any measure with an impact on the state budget or where the state has significant control are included, for example, tax exemptions, Lottery funding and the EU structural Funds.
2. Does the assistance give an advantage to one or more undertakings over others?	<ul style="list-style-type: none"> • An "undertaking" is any organisation engaged in economic activity. <ul style="list-style-type: none"> - This is about activity rather than legal form, so non-profit organisations, charities and public bodies can all be undertakings, depending on the activities they are involved in. - An undertaking can also include operators and 'middlemen' if they benefit from the funding. • "Economic activity" means putting goods or services on a market. It is not necessary to make a profit to be engaged in economic activity: if others in the market offer the same good or service, it is an economic activity. <p>Support to an organisation engaged in a non-economic activity isn't State aid, e.g. support to individuals through the social security system is not state aid.</p> <ul style="list-style-type: none"> • An "advantage" can take many forms: not just a grant, loan or tax break, but also use of a state asset for free or at less than market price. Essentially, it is something an undertaking could not get in the normal course of business.
3. Does the assistance distort or have the potential to distort competition?	<ul style="list-style-type: none"> • If the assistance strengthens the recipient relative to its competitors then the answer is

	likely to be “yes”. • The “potential to distort competition” does not have to be substantial or significant: may include relatively small amounts of financial support to firms with modest market share.
4. Does the assistance affect trade between Member States	The interpretation of this is broad: it is enough that a product or service is tradable between Member States, even if the recipient does not itself export to other EU Markets.

It is believed that State Aid is not present in this project. Whilst state resources are being deployed, it is believed that no advantage is being given in a way that excludes others and the assistance does not affect trade. The contract for demolition works is being let via use of a framework agreement. The site is being prepared for development by a third party in the future. The site will be disposed of on either market terms or selling via competition.

As per good practice the Council will keep the project’s State Aid position under continuous review.

8.0 Equality and Diversity Impact Assessment

By preparing the site for development, the project will make a strong but indirect contribution to promoting equality and diversity. Development will create new opportunities on site for access to employment opportunities, public realm and retail and leisure space. It will play a fundamental part in improving accessibility in and around Temple Meads station and improve accessibility for residents living in the east and south of Bristol to Temple Quarter and the wider city centre. Both the east and south of the city contain pockets of long-standing deprivation and significant minority ethnic populations.

Within the framework agreement the contractor for the works will be required to meet their responsibilities regarding diversity and equality set at statutory level, namely:

The Contractor shall not victimise, harass or unlawfully discriminate either directly or indirectly because of or related to race, colour, ethnic or national origin, disability, matters arising from disability, sex or sexual orientation, pregnancy or maternity, gender reassignment, marital or civil partnership status, religion or belief, age, fixed term or part time status, trade union or non-trade union status and, without limitation, the Contractor shall not victimise, harass or unlawfully discriminate within the meaning of the Equality Act 2010 and shall not breach any equality clause or non-discrimination rule under the Equality Act 2010 nor breach the Protection of Harassment Act 1997; the Part-Time Workers (Prevention of Less Favourable Treatment) Regulations 2000; the Fixed-Term Employees (Prevention of Less Favourable Treatment) Regulations 2002 or other relevant Law.

The contractor will also be monitored against KPIs including:

- Respect for People
- Local labour

The contractor will also be expected to deliver the works in accordance with the BCC statement on equality and diversity that will be included in the Works Information (Employers Requirements).

The project team will look to work with the LEP office to take forward an equality and diversity impact assessment and draw on the specialist resource available to complete it as soon as possible.

9.0 Environmental Sustainability Considerations

This project is looking to make good a site which has been in disarray for the last two decades. The project aims to bring this site back in to beneficial use for the city.

The project has and will continue to consider several environmental sustainability criteria:

- Public Health
- Local waterways
- Ecological surveys and actions
- Recycling of material for other sites
- Facilitation of the district heating pipe network and district cooling

Public Health

Public Health is a very important consideration to the project and relates back to the safety objective. As previously ascertained Network Rail has raised concerns with the current state of the building and therefore the demolition itself looks to alleviate these concerns.

The asbestos removal is being closely monitored by the Principal Designer to ensure that works are in accordance with CDM 2015. Network Rail have been consulted on the work and the contractor will share method statements and scaffold designs for approval.

Wind risk to the asbestos removal on the roof has been identified and methodologies established to minimise this i.e. polythene wrap of the tank rooms on the inside, rather than, outside the scaffolding.

Local waterways

An initial meeting with the Harbour Master for the floating harbour has determined that the demolition work will not impart any risk on the local waterways. If for any reason the waterways are required for depositing of materials or transportation of material, the Harbour Master will need to be consulted, but this is not currently envisaged.

Ecological surveys and actions

The Site Risk Assessment (2015) provided an outline ecology report on the site. It was identified that Bats could be inhabiting the former Royal Mail Sorting Office. A bat survey has been undertaken and no sightings of bats were recorded.

The original survey ruled out any problems with exotic flora.

Recycling of material for other sites

One of the sustainability objectives of the project is to recycle the building arisings to backfill the basement area to create a level site. It is the aspiration that any remaining arisings will be used on the Arena project. However availability of arisings will only be determined once a full design is agreed and an understanding of how much of the site is to be demolished is established.

Facilitation of the district heating pipe network and district cooling

The demolition of the sorting office building will enable the site to be utilised for the optimum location of the district heating pipes from Temple Meads Station across to the temporary energy centre at Cattle Market Road and onto Arena Island. The Council is also interested in exploring the potential of the site to house district cooling infrastructure.

Economic Case

10.0 Economic Appraisal

All calculations used to derive figures in this appraisal are provided in Appendix 1.

Direct impacts

The purpose and main output of this project is to demolish the former Post Office Sorting Depot building and in so doing help prepare the site for future development.

The project will support the preparation and future delivery of this 2 hectare site. By removing risks associated with demolition - e.g. increased costs - potential developers would most likely have to face it will increase the market attractiveness of the site, its chances of being sold to a developer other than the Council and the likelihood of it being developed out in the future.

Construction jobs impacts have been modelled by Bristol City Council using methodology and factors applied by Amion Consulting in their assessment of the economic impact of the Bristol Arena carried out for the Arena Full Business Case submitted to the LEP this year. Whilst factors are now slightly out of date as they are based on 2015 figures, given they are one year old they are assumed to still represent a reasonable proxy.

Demolition works will generate 14 person years of construction job employment, as demonstrated in the table below.

	Value of element of project	Benchmark annual value per job, 2015 (via Amion)	Person years of employment
Works	£1,660,000	£150,000	11
Fees	£346,000	£120,000	3

The former Post Office Sorting Depot building has lain vacant for over 18 years, and the site derelict for much of this time. Currently the site may well act to detract visitors' perceptions of the strengths and potential of the area. The project will remedy this. This will be a very high profile project drawing attention to the development potential of the Temple Meads and wider Temple Quarter Enterprise Zone area, economic strengths of Bristol and the West of England and major public investment to bring about regeneration. The development of the Enterprise Zone is a national and local priority. The demolition works will be promoted through publicity channels at both national and local level.

Indirect benefits arising on the Cattle Market Road site as a result of the project

An indicative development scenario for the Cattle Market Road site was prepared by Bristol City Council's City Design Team to inform the Arena economic impact assessment prior to its submission in early 2016. Based on this analysis, it is envisaged that the commercial floorspace component of the scenario could be completed in 2023. It would deliver the following:

Commercial floorspace development

The project has the potential to indirectly support the creation of 11,250 sq m commercial floorspace, as shown in the table below.

	Floorspace (sq m GEA)
Completed Apr 2020-Mar 2021	2,015 of B1
Completed Apr 2021-Mar 2022	4,090 B1 plus 1,575 retail
Completed Apr 2022-Mar 2023	3,035 B1 plus 535 retail
Total developed by end Mar 2023	9,140 B1 plus 2,110 retail

Jobs growth (gross)

The project has the potential to indirectly support growth of 764 new gross FTE jobs, as demonstrated in the table below.

	Jobs (gross, FTE)
Apr 2020 - Mar 2021	146 employed in B1 floorspace
Apr 2021 - Mar 2022	296 employed in B1 floorspace; 76 in retail
Apr 2022-Mar 2023	220 employed in B1 floorspace; 26 in retail
Total jobs growth by end Mar 2023	662 employed in B1 floorspace; 102 in retail

Business rate growth (gross)

The project has the potential to indirectly support the generation of £710,727 gross business rate income (before voids and reliefs) per annum once the commercial floorspace component is fully developed, as demonstrated in the table below.

	Annual new business rates growth (gross and with no adjustment for voids and reliefs etc, £)
Apr 2020 - Mar 2021	£127,208
Apr 2021 - Mar 2022	£357,634
Apr 2022-Mar 2023	£225,376

GVA growth (gross)

Assuming that all 764 gross jobs generate £30,007 of GVA per annum, Bristol's GVA per head for 2014, the commercial floorspace component of the development will be generating £22.9m of gross GVA per annum once completed.

Accelerated impacts

Demolition of the building as proposed in the bid offers the best chance of securing early development, by removing demolition risk for developers and making the site more attractive for purchase and bringing forward. If the project was not funded along the lines proposed in this bid, demolition works would be delayed by the Council having to secure funds from other sources, or to sell a more risk-laden site to a future developer who would then have to scope and implement the works themselves.

Consequently it is assumed that early demolition as proposed in this bid will accelerate the coming on stream of economic benefits noted above. Taking account of the negative impact of the demolition works not being funded at this time is estimated to add 2-3 years to the site coming forward. Were it to take 3 years, the acceleration benefits are assumed to be as follows:

- 11,250 sq m commercial floorspace coming forward up to 3 years earlier
- 764 gross FTE jobs coming on stream up to 3 years earlier

- An additional £2.1m of business rates growth than would otherwise be the case
- An additional £68.8m gross GVA being realised.

Complementarity with other developments

The development of the Cattle Market Road site is a critical component in plans for the upgrading of Temple Meads Station and redevelopment of the Temple Meads East area. The Temple Quarter Spatial Framework describes its role as “pivotal”. Combined with the development of neighbouring sites, it offers potential to offer significant synergistic benefits.

Development of Cattle Market Road has the potential to secure better access to, through and from Temple Meads Station. The creation of a new eastern entrance connecting the site to both the Station and a new public street underneath it will serve to tackle the issue of the station acting as a barrier to pedestrians from the east and south. It will provide new access routes to Bristol’s principal transport hub, the core of the Enterprise Zone and onwards to the city centre.

Development of Cattle Market Road will also better connect the station with the Arena Island site. A new bridge funded by the HCA has already been installed and plans to install a new harbour walkway between Temple Quay and Cattle Market Road are being advanced. New public realm will deliver attractive access routes through the Cattle Market Road site to the bridge and then directly into public realm and access improvements on and adjacent to Arena Island, itself becoming better connected to the city’s south.

The Cattle Market Road site also has a critical role to play in connecting up the east of Bristol to the station and to the arena. The spatial framework envisages new bridging being installed between the site and the Silverthorne Lane area, helping to unlock the latter for mixed use development.

This project represents a further step to enabling development that will offer the benefits described above to come forward on the Cattle Market Road site, by preparing the site and improving chances of securing a developer for it.

Environmental and social benefits

The site preparation works proposed in this bid will support the connecting of the site to a district heating network being brought forward by Bristol City Council. The Council is also interested in exploring the potential of the site to house district cooling infrastructure.

The potential to utilise arisings from building demolition on site will continue to be fully explored.

The site has suffered from vandalism and anti-social behaviour problems in the past. This project will make the site safe in the short term prior to its development, by removing a derelict building that attracts anti-social attention, and deliver site security whilst the works are underway.

Demolition works on site will start to tackle perception of the area suffering from dereliction; instead it may appear to be one where change is about to take place.

Demolition works will also represent a further step forward towards implementing accessibility improvements in the Temple Meads East area, which will create better, more sustainable accessibility options to the EZ and city centre for residents of south and east Bristol, both of which feature pockets of long-standing deprivation. Employment, leisure and transport opportunities should become easier to access for both these populations.

Cost-benefit analysis

The project represents a step forward towards the Cattle Market Road site's future development. The benefits to be gained from the site will be influenced by this project, as it will remove the need for the developer to deal with demolition risk, but ultimately they will be determined by their choice of what to develop. Consequently the quanta provided in this section so far should be considered to be purely indicative of what the site's potential may be.

It is believed most appropriate to provide a qualitative cost-benefit analysis at this stage. The project will provide direct benefit in the very short term, by making the site ready and attractive for development. Development will deliver greater benefit at greater cost over a much longer period, namely the length of building/s useful life. Demolition will be but one – relatively small proportionately – element of the overall costs.

The costs of demolition are forecast to be £2.8m, with this sum to be spent in the Council's 2016 and 2017 financial years.

Financial Case

11.0 Scheme Cost

The total cost of the project is expected to be £2,837,550, with expenditure broken down by year as follows:

Financial year	Planned annual expenditure
2016-17	£997,306
2017-18	£1,840,245

All costs are considered to be capital in nature. A detailed breakdown of project costs is provided in Appendix 2. A summary is provided below.

Revenue Elements - nil

Capital Elements

Cost Heading	Total projected eligible expenditure	Amount to be claimed
Pre-construction phase		
<i>BCC direct costs – staff time on initial preparatory work</i>	£252,062	£154,934
<i>BCC direct costs – site security costs</i>	£247,431	£123,600 (1)
<i>BCC direct costs – surveys and other costs</i>	£331,885	£281,885
<i>Main contractor's direct costs – staff costs</i>	£25,970	£25,970

Main contractor's direct costs – design fees	£100,000	£100,000
Main contractor's direct costs – survey costs	£84,086	£84,086
Demolition phase		
BCC direct costs – project/design team fees	£132,000	£103,000
Main contractor's direct costs – design fees	£30,000	£0
Demolition works	£1,634,117	0
Monitoring and evaluation		
BCC direct costs – accountant and reporting officer	£2,000	£2,000
Totals	£2,839,551	£875,475

(1) In terms of site security costs, BCC is claiming only for those incurred when more intensive work related to the demolition itself was being undertaken on site. Consequently we are not claiming for funds identified as incurred between April to October this year in the cost report.

The breakdown of costs has been prepared by Mott MacDonald in their project and cost management role.

Note: No detailed drawings, specifications or other design information was available for the preparation of the above demolition cost estimate, therefore the above costs should be considered approximate.

The demolition cost estimate assumes the demolition of the former sorting office building, partial removal and infill of the existing basement and limited support works to the retaining wall bordering Bristol Temple Meads station. It has been assumed that the current raised platform level and ramp adjacent to former sorting office building will remain in-situ following the works.

12.0 Spend Profile and Funding Sources

It is proposed that the project will be funded as outlined below.

Capital Spend (£000s)

	Pre 16/17	16/17	17/18	Total
Bristol City Council capital funding via prudential borrowing	Nil	124	876	£1.0 million
Income to Bristol City Council from sale of Cattle Market Road	Nil	Nil	964	964

<i>site</i>				
<i>LEP funding</i>	<i>Nil</i>	<i>875</i>	<i>Nil</i>	<i>875</i>
<i>Totals</i>	<i>Nil</i>	<i>999</i>	<i>1,840</i>	<i>2,840</i>

Revenue Spend (£000s) - nil

An accompanying letter from the Council's Section 151 officer is provided in Appendix 3.

Commercial Case

13.0 Procurement

A Procurement Options Report was prepared to ascertain the procurement routes available to Bristol City Council. The report aligned the client requirements to the most suitable procurement route to achieve the project objectives. The report outlined the advantages and disadvantages of the following options:

1. Exor shortlist
2. ODJEU
 - a. PQQ and out to tender
 - b. Straight to tender
3. Bouygues, as preferred contractor for the Arena project
 - a. Direct appointment
 - b. ECI and negotiated contract
4. Direct appointment through Major Contractors Framework i.e. scape
5. Preconstruction ECI and Mini Competition for construct stage
6. Two stage open book tender.

The Report and recommendation put forward was reviewed with the key project parties notably the client and procurement officer. It was agreed to proceed with the recommendation which was to undertake a Design and Build solution using the Scape National Minor Works Framework.

This was chosen for several reasons:

- The framework provided an element of cost certainty for the council with pre-agreed framework rates;
- The framework gateways limit the liability to the council by agreeing to cost expenditure at each stage and does not commit the council to the full project cost at the start;
- The framework reduces the time and cost to the council associated with a traditional tender, as the PQQ has already been completed;
- Due to the complications associated with the site constraints, the early involvement of a contractor during the feasibility and preconstruction design phase allows detailed survey works to be completed to facilitate an accurate and Network Rail approved design;
- The contractor has the experience and capacity to effectively manage the Network Rail interface and project risks;

- Insurances dictated in the Framework Asset Protection Agreement between Bristol City Council and Network Rail would need to be taken out and smaller demolition firms may not be able to provide this cover.

The project team has obtained approval from BCC Procurement to utilise the Scape National Minor Works Framework to select the main contractor, Kier Construction.

14.0 Operation and Financial Viability

As the project is to demolish structures on the Cattle Market Road site, it will not create a facility to be operated. That said, several measures will be taken to ensure financial viability throughout the life of the project and they are outlined below.

Cost management

Mott MacDonald's Quantity Surveyors will implement our established approach to cost management for the Cattle Market Road demolition project in full consideration of the selected method of Main Contractor procurement through the SCAPE framework. The following are considered essential components to the management of costs through the lifecycle of the project:

- Full detailed audit trail of spend.
- Works completed within budget for brief.
- Complete live tracker and trail of change requests, costed and approved.
- Benchmark data.
- Reliable cost reporting throughout duration of contract.
- Current "final account" position reportable at any point during the contract.
- Tracking of costs across financial year allocations.

To enable the above to be achieved Mott MacDonald will manage the budgetary requirements of the project throughout all stages, commencing at the current Feasibility Stage.

Along with early contractor involvement, one of the principal benefits of procurement through the Scape framework is the requirement for all sub-consultants and sub-contractors to be procured on an open book basis, whilst the main contractor's preliminaries and fees will be based on fixed rates and percentages established under the framework appointment.

Scape Feasibility stage

Mott MacDonald have prepared an Order of Cost estimate assessing a number of options for the demolition of the former sorting office, adjacent raised area and treatment of the existing retaining wall which borders the adjacent Bristol Temple Meads Station. The estimated costs have been

reported to Bristol City Council and will inform the assessment of the budget cost options to be provided by the proposed Main Contractor Kier as part of the Feasibility Report. The project team has also engaged in initial discussions with the contractor regarding design fees in line with the requirement for open book procurement under the Scape framework.

Scape Pre-construction stage (Develop Design)

The next stage of the project will require the proposed Main Contractor, Kier, to appoint a design team to develop the design for the project. The design team will be procured through an open book process with all tendering consultant's proposed fees reported to Bristol City Council following a detailed review by Mott MacDonald. Under Scape, at the Pre-construction stage the contractor will be entitled to fees for design and cost management, which are established within the framework appointment. This will ensure that there is full transparency of costs as the design is developed.

Scape Pre-construction stage (Detailed Design)

At this stage the main contractor will work with the design team to develop a detailed design and a firm lump sum price for the project. The contractor will be required under Scape to market test 100% of the cost elements of the project and this will be reported to Bristol City Council on an open book basis. Mott MacDonald will interrogate the costs and design proposals and will challenge the contractor to demonstrate that the proposed scheme and contract sum represents best value in meeting Bristol City Council's project requirements. In a project where the budget is very tight and there is likely to be a scaling back of the original extent of demolition and site clearance, this will be essential as the Council seeks to maximise the future marketability of the site.

As discussed above, the Scape framework has been recommended to Bristol City Council due to transparency of the costs aligned to early contractor involvement. Having developed the detailed design and methodology for the demolition and clearance of the Cattle Market Road site, it is expected that the eventual contract sum will be based on a fixed price with few if any provisional sums included. This will provide a high degree of cost certainty at contract stage.

Scape Construction stage

A lump sum contract will be agreed with the main contractor prior to work commencing on site. The cost of all sub-contract works packages will be fully assessed by Mott MacDonald, having been procured on an open book basis, enabling Bristol City Council to demonstrate that best value has been achieved for the agreed methodology of demolition and site clearance work. The main contractor's preliminaries cost will be based on established costs set out in the framework appointment as will the contractor's overheads and profit percentages, therefore providing full transparency of all elements of the contract sum.

Mott MacDonald will implement a strict cost management system in the post-contract period to ensure that the outturn cost of the project is controlled. Mott MacDonald will keep Bristol City Council fully appraised on the financial status from commencement through to completion and the agreement of the final account. This approach will be adopted throughout to ensure the Council remain informed at all times. During the post-contract period we will provide monthly financial status and progress reports to address the following:

- Executive Cost Summary – providing Bristol City Council with a financial snapshot of the project which can be quickly absorbed.
- Reconciliation to previous report.
- Project Manager's instructions (coded to describe status of accuracy and agreement).
- Adjustment of any provisional sums.
- Expenditure of the project contingency.
- Anticipated variations – costs and risks.
- Actions to mitigate cost overruns.
- Risk management commentary.
- Cash flow forecast vs actual expenditure as a check of progress against programme.
- Fees (professional, legal, building regulations etc).
- Payment certifications to date.

Management Case

15.0 Project Governance and Delivery

The project is encompassed by the Bristol Temple Quarter Enterprise Zone programme and will therefore be overseen by the programme management team therein. At a project level a dedicated Bristol City Council client representative will oversee the project team to ensure the client requirements are met at all stages of the process.

Project Governance

Key Roles and Responsibilities

The following tables set out the current individuals and key responsibilities for roles indicated in the above structure.

Table 1.1 – Roles and responsibilities

Role	Responsibilities
BCC Senior Leadership	<ul style="list-style-type: none">■ Ensure a Project Executive with appropriate authority is appointed and that the role is clearly defined■ Ensure that the Project Executive meets the objectives set■ Report progress to BCC Cabinet as necessary■ Report Cabinet directions to Project Executive as necessary■ Ensure sufficient and appropriate project resources available for delivery of the project within the tolerances agreed■ Understand project risks advised by Project Executive
Project Executive (BCC)	<ul style="list-style-type: none">■ Define the Project Objectives/Requirements■ Ensure there is a coherent project organisation structure and logical set of plans■ To form a Project Board with Senior User and Senior Supplier representatives■ Ensure a Project Manager is appointed and the role is clearly defined■ Ensure the Project Manager meets the objectives set■ Agree the Project Implementation Plan and Terms of References■ Organise and chair meetings of the Project Board■ Authorise project resources and expenditure, and set stage tolerances■ Monitor and control the progress of the project at a strategic level, reviewing the Business Case with the Senior User■ Be the focal point for key client decisions about progress and changes to the Project■ Obtain Project Assurance as may be required■ Confirm completion of each stage of the Project and approve progress to the next stage■ Provide reports or briefings to Cabinet and Senior Leadership Team as may be necessary■ Brief corporate, partnership and funding management about project progress■ Recommend future action on the project to corporate, partnership and funding management if the project tolerance and approved purposes are exceeded■ Fulfil client obligations under the Construction (Design and Management) Regulations
Project Manager (Mott MacDonald)	<ul style="list-style-type: none">■ Appointed by Bristol City Council on behalf of the Project, the Project Manager will:■ Direct and motivate internal and external resources■ Manage the Project to meet the Terms of Reference to the required quality and within the specified time and cost constraints■ Assume responsibility for the progress of the scheme■ Organise and chair Project Team meetings■ Report to the Project Board

Role	Responsibilities
	<ul style="list-style-type: none"> Develop and maintain the Project Implementation Plan for agreement with the Project Executive Manage and control the skills and resources used during the life of the Project Liaise and consult with stakeholders including users Liaise regularly with the Project Executive and report on major issues Monitor delivery and control expenditure Carry out a post project review, including the production of a post-completion report Ensure Council standards are followed Deliver the Project within the terms of the Partnership Agreement Produce progress and funding reports for project funders Provides information and support to the Project Executive for report to Cabinet Set up and maintain project files Establish document control procedures Administer Project Team meetings Assist Project Manager with compilation of reports and drawdowns Maintain Project Cost Plan and cash flow records
Client Representative (BCC)	<ul style="list-style-type: none"> Engaged by Bristol City Council the Project Support Officer will: Collect and collate purchase orders and invoice copies for grant drawdowns Administer project use of/ adherence to corporate procurement and purchasing systems and standards
Quantity Surveyor	<ul style="list-style-type: none"> Prepares production information including Bills of Quantities and tender information including full working drawings and specifications Complete pre tender estimate for review with the client (BCC). Undertake a post tender review alongside the PM and Client to ensure value for money to the client of the selected tenderer.
Lead Consultant Multi Discipline	<ul style="list-style-type: none"> Define survey requirements for demolition Prepare specification for all surveys Procure and manage surveys undertaken on site Provide information to project team and QS for inclusion in ITT.

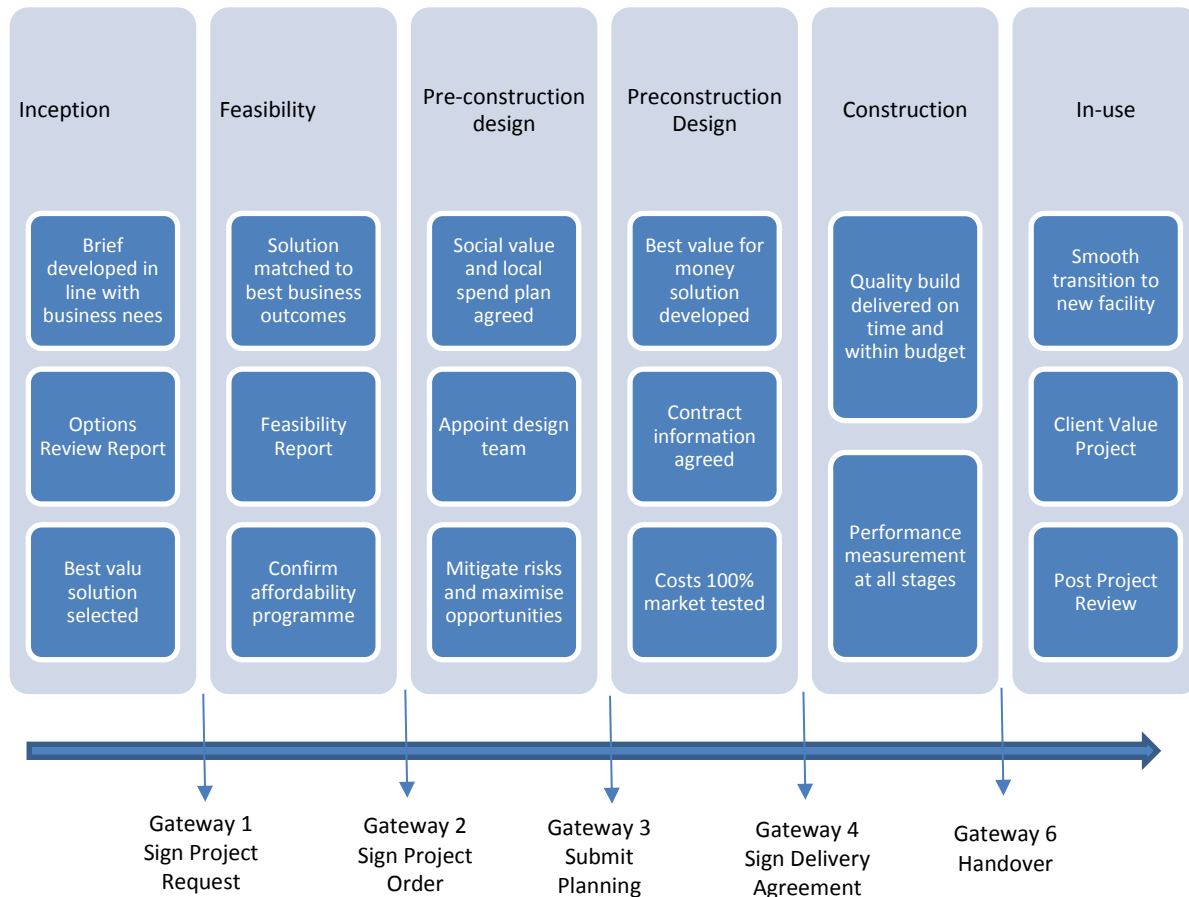
Table 1.1: *Roles and Individuals*

Role	Organisation	Stage 1 Project Definition and Procurement Phase	Stage 2 Delivery Phase
Project Executive	BCC	Joe Jeffrey	Joe Jeffrey BCC
EZ Programme Manager	BCC	Hywel Jones Mark Smith	Hywel Jones Mark Smith
Project Manager	BCC Consultant	Sophie Young (MM Project Manager)	Sophie Young (MM Project Manager)
Client Rep	BCC/MM	Richard Warner/ Stephen Ashman	Richard Warner/ Stephen Ashman
Quantity Surveyor	MM	Paul Callan	Paul Callan
Procurement Officer	BCC	John Thompson/Spencer Penny	Spencer Penny
Network Rail interface	NR	Craig Goddard	Craig Goddard

The project organisation is presented in Appendix 4.

Delivery

The project delivery will be very much entwined with the procurement route chosen. The SCAPE Framework and process identifies stages and gateways which will be followed to successfully execute the demolition as below.



16.0 Programme Plan

The current programme can be found in Appendix 5. Please note that the document's reference to planning approvals does not reflect the current position; planning approvals will be sought in early 2017.

The project is currently in its inception and feasibility phase. Enabling works are ongoing to strip the building of Guano and Asbestos to make safe the site. Once the building has been stripped, work to finalise the engineering reports can be completed and access to the site can be provided to Kier to allow them to finalise their feasibility studies.

An allowance has been made for Network Rail approvals based on the durations identified within the Framework Asset Protection Agreement (FAPA). This section of the programme will be better defined once the design has progressed and we can better understand the implications on the methodology to the railway and retaining wall.

17.0 Land Acquisition, Planning and Other Consents

As previously noted, the land was acquired by Bristol City Council in 2015.

The planning requirements associated with a demolition project are far less onerous than a development planning application.

Planning Permission

Prior to starting the demolition works the following must be completed:

- It will require two separate forms to notify Bristol City Council of the demolition. There is a fee of £80.00 required for the planning notice.
- It will also require a location plan of the site with the boundary marked in red at 1:1250 and a site notice which must be displayed for **at least six weeks** prior to any demolition work starting on the site.
- The forms are relatively straightforward to fill in, but they do require details on the proposed methods, contractor, and restoration of the site.

It is envisaged that notification of the intention to demolish will be submitted to Bristol City Council in early 2017.

Listed Building Consent

Listed building consent is only required if demolition interferes with the Network Rail retaining wall. This is based on discussions held with the listed building officer. However, the current position is to implement a design which restricts the removal of the steel beams abutting the retaining wall. This will effectively remove the requirement for listed building consent.

Requirements under the Framework Asset Protection Agreement (FAPA)

The demolition methodologies will require sign off by Network Rail to ensure the appointed principal contractor is appropriately managing the potential risks to the nearby structure, operation of the railway, and public using the railway station. Any design work which results in the construction of temporary or permanent structures will require agreement with Asset Protection and the Asset Manager. As the design progresses the approval requirements will be better defined.

This bid includes funding of Network Rail input to the project, including work to assess proposals, provide advice and grant approvals, as required via the FAPA between Network Rail and Bristol City Council.

Spatial Framework

The Temple Quarter Spatial Framework is a non-statutory planning document which sets out how the Temple Quarter Enterprise Zone could become a thriving new city quarter over the next 25 years. The Spatial Framework is an important planning tool to guide and shape future development in the area. It was adopted by Bristol City Council's Cabinet on 4 October 2016.

The Spatial Framework describes the Sorting Office and neighbouring sites as pivotal, giving scope to create a link between a new pedestrian street under Temple Meads station and routes to the south and east of the city. It models high density mixed use development, with a new public square and waterfront access. Its unlocking supports redevelopment of Temple Meads station, new development to both the east – in the Silverthorne Lane area – and to the Bristol Arena and other sites to the south, and much better connectivity for residents of deprived communities in the south and east of the city to employment opportunities in the Enterprise Zone.

The Spatial Framework assumes the demolition of the former Sorting Office building.

18.0 Service Diversions

Bristol City Council is committed to Bristol developing as a low carbon city and meeting its commitments as Europe's Green Capital for 2015. If BCC is to move Bristol towards becoming a low carbon city, district heating projects of various sizes within the city must be identified and developed. BCC must therefore provide leadership through identifying potential district heating projects within Bristol and develop those that are economically viable in conjunction with other public partners. The Cattle Market Site has a key part to play in realising this aspiration with the developments to the east of Bristol Temple Meads Station.

The proposed demolition contract for the Cattle Market Site does not require any diversion of existing services across the site. The provision of all statutory services to appropriate capacities will be provided at the site boundary for development to connect into. Moreover, the site is critical to BCC to create connectivity not only in terms of development but also in accommodating a route for the General Purpose Services Trench (GPST) between the Friary, Plot 3 (proposed site for the hotel/conference centre) and the Arena Island development. To achieve this, discussions are being held with Network Rail to agree the route under the Station by utilising the existing Post Office service tunnel through to the Cattle Market Site. The GPST will accommodate both district heating network infrastructure and broadband cabling.

It is anticipated that the Arena will require district heating heat from January 2018 which could be prior to the GPST being completed from the Arena to the 100 Temple St Energy Centre. Given that the Arena has no on-site heat generation plant a temporary energy centre option to reflect heat demand from the Arena at the very least is required. This is required to be located on the Cattle Market Site once demolition has been completed. In anticipation of this, DH pipework has been fixed to the underside of Brock's Bridge and located under Cattle Market Road to facilitate future connection once the Cattle Market Site is cleared.

19.0 Engagement and Consultation

Although no dedicated consultation has taken place on plans to demolish the Former Sorting Office on Cattle Market Road, there have been a number of occasions on which the general public has been able to give feedback on plans for its demolition.

- The Spatial Framework, a non-statutory planning document to guide and shape new development in the Temple Quarter Enterprise Zone, was consulted on between 3rd March and 14th April 2016. This document provides design guidance for all sites in the Temple Quarter Enterprise Zone including the Former Sorting Office site (Section 3), and an exploration of a development scenario for this site (Section 4). An online survey for this

consultation received 72 responses, and an additional 24 letters were received. A breakdown of who responded and their comments is available in the consultation's [Statement of Community Involvement \(PDF, 3.5MB\)](#). This document also gives details of public events through which additional feedback was collected from members of the public.

- The demolition proposals were considered by Cabinet on March 1st 2016. Papers relating to this meeting were available online a week before the Cabinet meeting, with the opportunity for members of the public to submit questions (no such representations were received).

20.0 Risks, Constraints and Dependencies

During a detailed review of the April 2015 site assessment, a site inspection and subsequent risk workshop attended by Bristol City Council, Network Rail, Mott MacDonald Engineers, and the Project Team; the project risks and constraints were identified.

The aerial photograph highlights the key site constraints.

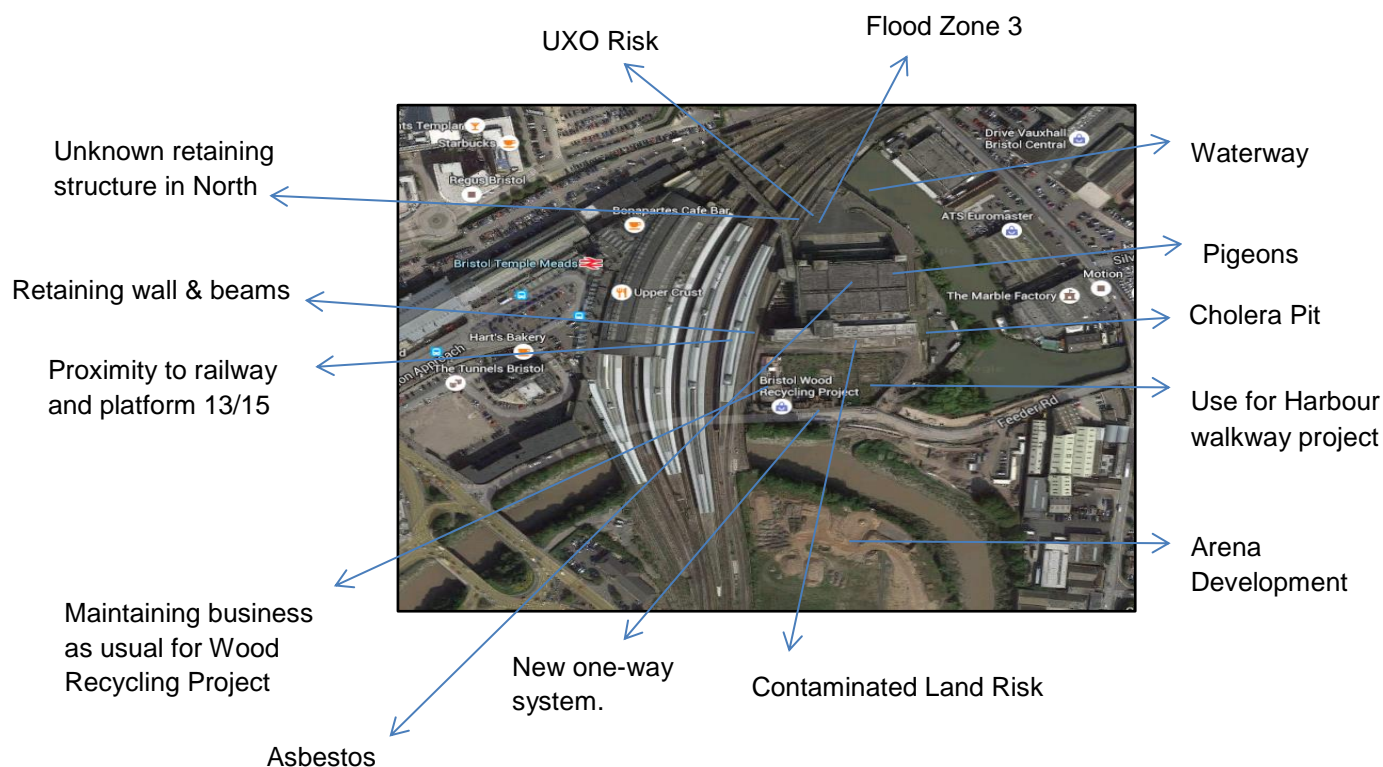


Figure 2- Former Royal Mail Sorting Office Site Constraints

It was quickly identified that this demolition project would not be as simple as previously envisaged and that much work upfront would be required to mitigate the risks presented by the site constraints.

The risk assessment identified the following 5 risks to the project as most critical, the full project risk register can be found in Appendix 6.

ID	Category	Type	Description (inc. consequence & impact on project)	Likelihood	Impact	Priority	Cost Pre-mitigation	Date identified	Countermeasure / Risk response (inc. contingency)	Residual			Risk owner / Risk actioner	Cost post mitigation
										Likelihood	Impact	Priority		
19	T/O	R	Logistical clash with other BTQEZ projects using the site up until June 2017. Which may result in alteration to demolition start on site date or impact on preferred methodology.	4	4	16	£75-100k	20/06/2016	Liaise with BTQEZ team throughout to understand master plan programme. Liaise with highways team at BCC to understand programme for completion of works and final road layout on completion Monthly interface meetings with all other BTQEZ projects in the vicinity of Cattle Market Road Include all known information in ITT documents. Use of Buoygues to manage interface across both this site and Arena site.	1	4	4	BCC	£0k
20	E/F	R	Pre tender estimates is in excess of that defined in the due diligence report which will delay the letting of contract	4	4	16	£1m	20/06/2016	Complete pre tender estimate for review with BCC. Preconstruction survey works and early contractor involvement define methodology. Review scope requirements of ramp and upper car park	2	4	8	BCC	£1m
21	S/C	R	Consents required over and above those already applied for - programme and cost implication	4	4	16	£80k	20/06/2016	Speak with BCC environmental team to define consents required from the outset. Programme these into the project. Possible impact on harbour, harbour revision order, MMO. Harbour master meeting.	1	4	4	BCC	£0k
22	T/O	R	Network Rail approvals - Delay in receiving NR asset protection sign off and methodology agreement could cause programme delay and additional cost	4	4	16	£80k	20/06/2016	Engage Network Rail from the outset. Meet with NR to understand their requirements pre contract - preferably with contractor to get the work underway. Include Network Rail requirements within ITT - relevant standards, templates and example method statement to ensure cost and programme estimates are as accurate as possible at tender stage. 28 days within programme. Iterations of methodologies need contractor who is competent. Deliverables tracker.	2	4	8	Contractor	£20k
39	E	R	Asbestos found within slab or other elements of the building once demolition commences, resulting in the contamination of all arisings and specialist disposal and additional backfill material costs	3	4	12	£500k	20/06/2016	Complete asbestos survey and strip Contingency within cost plan to manage unforeseen asbestos. Methodology to review sections for asbestos to reduce risk of further contamination to other materials.	2	4	8	BCC	£200k

1.0 Project Assurance

The use of expert consultants will achieve Project Assurance, monitoring various aspects of the project.

A Quantity Surveyor has been appointed to identify an early project budget and to review and advise Bristol City Council at each project gateway on the forecast project spend from the client. The quantity surveyor will ensure the SCAPE framework rates are adhere to and that the options taken forward provide Bristol City Council with a value for money solution.

The project has appointed an independent Principal Designer to ensure Bristol City Council undertake their duties outlined the CDM 2015 regulations.

22.0 Monitoring and Evaluation

A full Monitoring and Evaluation Plan has been prepared and is included in Appendix 7.

Appendices

- Appendix 1 – economic case background calculations
- Appendix 2 – cost breakdown
- Appendix 3 – S151 Officer letter – to be supplied shortly
- Appendix 4 – project organisation organogram
- Appendix 5 – programme timeline
- Appendix 6 – risk register
- Appendix 7 – monitoring and evaluation plan

Appendix 7 – Monitoring and Evaluation Plan

1. Scheme background and context

The PO Sorting Depot on the site has lain vacant for over 18 years. Prior to this project proposals for its development have been made but not brought forward, principally because of a lack of viability. The building is an eyesore next to Temple Meads Station, one of the most accessible locations in the city with over 10 million passengers passing through each year. It is also located in the Temple Quarter Enterprise Zone. Rather than promote the city's economic strengths to both visitors and residents of Bristol, it visibly detracts from it.

Bristol City Council bought the site in May 2015 with the objective of securing development on the site as soon as was reasonably possible. The Council has investigated options for taking the site forward. Demolition of the existing buildings offers the best opportunity to reduce risk to potential developers and secure market interest in its future development.

On 1 March 2016 the then Mayor of Bristol approved £1m of funding for the demolition of the PO Sorting Depot building and associated site preparation. Provision has also been made to allocate some funds from receipts following the sale of the site towards demolition costs. This bid to the LEP is for £875,475 of funds to cover the remaining funding gap.

Milestone completion dates	Baseline month/year	Actual completion
Project inception phase completed	<i>Jan 2017</i>	
Asbestos strip completed	<i>Jan 2017</i>	
Planning approval secured	<i>March 2017</i>	
Pre-construction design work complete	<i>July 2017</i>	
Demolition work starts	<i>August 2017</i>	
Demolition work completes	<i>Feb 2018</i>	

2. Logic Model

Logic Model

Context and Rationale					
<p>The development of the Temple Quarter Enterprise Zone is a national and local priority. The Cattle Market Road site sits in the heart of the EZ and is adjacent to Temple Meads Station, a key gateway to Bristol and the West of England. Yet the site has suffered from dereliction for over 18 years. Rather than promote the city and LEP area's economic strengths, it visibly detracts from it.</p> <p>Proposals for its development have come forward but not proved viable. Bristol City Council has – with Government support – intervened to drive development of the site. The Council acquired it in 2015. Demolition of the existing buildings is required to secure market interest in the site and aid its future development.</p>					
Objectives	Resources/ Input	Activities	Outputs	Direct & Indirect Outcomes	Impact
<p>The aims/ objectives of the scheme are: (Ensure that <u>all aims/objectives are SMART</u>)</p>	<p>In order to achieve the set of activities to fulfil these aims/ objectives we need the following: (Resources should not be limited to money e.g. grant, match funding, in-kind, project team, specialist support, etc. The inputs define the scope of the project being considered in the logic model)</p>	<p>In order to address the aims and objectives we will accomplish the following activities: (What will the money be used for? e.g. construction, project management, equipment/fit out, etc):</p>	<p>We expect that, once accomplished these activities will produce the following deliverables: (Provide measurable outputs e.g. length of new road/cycle path, m² of space constructed/refurbished, number of businesses supported, learners engaged, etc)</p>	<p>We expect that if accomplished these outputs will lead to the following <u>change</u> e.g. new products or services, skills, behaviour, new business/contracts, etc: (Ensure that <u>all outcomes are SMART and relevant</u> to the aims/objectives to allow for <u>attribution</u>; distinguish between direct and indirect outcomes)</p>	<p>We expect that if accomplished these activities will lead to the following changes in service, organisation or community: (quantitative economic impacts e.g. indirect jobs and/or GVA to be <u>cross-referenced</u> with FBC as appropriate)</p>
<ul style="list-style-type: none"> Demolish the buildings on site as safely and promptly as possible 	<ul style="list-style-type: none"> £875,000 of LEP funding in 2016-17 £1m of BCC capital funding over 2016-18, already approved by the Mayor A further £964,000 from BCC, to be recouped via sale of the site 	<ul style="list-style-type: none"> LEP and BCC funding will cover the costs of the entire demolition works, both pre-construction and at demolition phase 	<ul style="list-style-type: none"> Demolition of buildings on the Cattle Market Road site and handling of arisings resulting Site prepared for development 	<ul style="list-style-type: none"> reduced risk to developers site becomes more attractive to the market sale of site to developer 	<ul style="list-style-type: none"> new development on the Cattle Market Road site, delivering jobs, floorspace and business rates growth

3. Evaluation design and methodologies

It is proposed that the evaluation will cover the following:

- At the end of the 2016-17 financial year, review whether or not the project on line to deliver on time and budget
- At the end of the project in 2018, review whether or not the project has been delivered on time and to budget
- At the end of the project, one year after and three years afterwards review whether or not the project has spurred site development and, if so, what quanta of development/jobs/rates growth has/is likely to arise.

4. Data requirements

4.1 For schemes fully or part-funded via the Local Growth Fund only

- *Relevant performance indicators will be provided for each scheme when a draft logic model is shared at, or prior to, submission of a Full Business Case for approval.*

4.2 Data collection methods

Data will be gathered via the Council's project accountant and Economic Development Manager for the Enterprise Zone, liaising with project team colleagues and any future developer of the site.

4.3 Data collection and establishing the baseline

- *Refer to the scheme logic model to help structure the baseline data collection and reporting activities.*

Metric (inc. Target)	Unit	Frequency	Data source (& Responsibility)	Baseline date	Reporting to?
Inputs					
<i>Expenditure</i>	<i>£, by source</i>	<i>Quarterly</i>	<i>Quarterly grant claims – Finance Officer</i>	<i>Project start in July 2016</i>	<i>LEP highlight report; Project governance</i>
Outputs					
<i>Site cleared and prepared for redevelopment</i>	<i>2.1ha</i>	<i>Annual</i>	<i>Project sponsor provides confirmation</i>	<i>February 2018</i>	<i>Project governance, BTQEZ Strategic Directors Board and on to LEP EZ Board</i>

5. Delivery plan

- Review of progress in FY 2016-17 provided to EZ Strategic Directors Board
- Project completion reported to EZ Strategic Directors Board in February 2018
- Review of impact reported to EZ Strategic Directors Board in March 2019
- Review of impact reported to EZ Strategic Directors Board in March 2021.

6. Resourcing and Governance

£2,000 from LEP funding will be set aside for work on monitoring and evaluation. This will fund 8 days of work by the BCC Project Accountant and 4 days of work by the BCC EZ Economic Development Manager. Both will gather data from the project team and future developer, compile findings then report them to the EZ Strategic Directors Board for approval.

7. Dissemination

The aforementioned reviews will seek to demonstrate that LEP and BCC funding has been spent in line with authorisations and delivered on the objectives set for it.

The findings of the reviews will be made public on the Temple Quarter EZ website.